



ELECTRIC UTILITY COMMISSION
REGULAR MEETING MINUTES – Approved 05/16/2011
APRIL 18, 2011

The Electric Utility Commission (EUC) convened in a regular meeting in the Shudde Fath Conference Room at 721 Barton Springs Road in Austin, Texas.

1. **CALL TO ORDER** – Phillip Schmandt, Chair, called the meeting to order at 6:00 p.m.
Commissioners in attendance: Phillip Schmandt, Chair; Linda Shaw, Vice Chair; Shudde Fath, Steve Taylor, and Dr. Michael E. Webber. Gary ‘Bernie’ Bernfeld and Stephen Smaha, were not present at the Call to Order, but arrived shortly afterwards.

Staff in attendance: Larry Weis, Cheryl Mele, Kerry Overton, Elaine Hart, Jackie Sargent, David Wood, J.J. Gutierrez, Karl Rabago, Ann Little, Andy Perny, Pat Alba, Jeff Vice, Pat Sweeney, Larry Alford, David Kutach, Tim Arndt, Todd Shaw, Steve Machicek, Karl Popham, Adrienne Brandt, Elaine Kelly-Diaz, Jamie Mitchell, Erika McCartney, Tim Kisner, Marnie Cervenka, and Toye Goodson Collins of Austin Energy; Rosie Truelove, Danielle Guevara, and Lynda Williams of the Contract & Land Management Department; and Rosemary Ledesma and Shawn Harris of the Purchasing Department.

2. **APPROVAL OF MINUTES** - Approve minutes of the March 21, 2011 regular meeting.
Motion to approve minutes by Commissioner Taylor, seconded by Commissioner Fath, passed on a vote of 5-0.

Commissioner Bernfeld arrived.

3. **CITIZEN COMMUNICATIONS** – Carol Biedrzycki of Texas ROSE and Katherine Stark of the Austin Tenants Council requested changes to the proposed amendment to the Energy Conservation Audit and Disclosure ordinance (Item 14). Tom Nesbitt, representing NCM Demolition and Remediation, urged scrutiny of the recommended contractor for the Holly decommissioning contract (Item 7). Gavino Fernandez representing El Concilio and the Holly Neighborhood Closure Committee, voiced support of Item 7.

NEW BUSINESS

Commissioner Smaha arrived following the approval of Consent Items, as noted below.

4. Authorize award, negotiation and execution of Amendment No. 1 to a contract with ALTIVIA CORPORATION, Houston, TX for the purchase of sodium hypochlorite for Austin Energy power plants, to exercise the first 12-month extension option in an estimated amount not to exceed \$33,470, with two additional 12-month extension options in an estimated amount not to exceed \$33,470 each, for a revised total estimated contract amount not to exceed \$167,350. **Motion to approve on consent by Chair Schmandt, seconded by Commissioner Taylor, passed on a vote of 6-0.**
5. Authorize award and execution of a 24-month requirements service contract with ANCON SERVICE COMPANY, LaPorte, TX, for condenser tube cleaning services for Austin Energy in an estimated amount not to exceed \$162,906, with three 12-month extension options in an estimated amount not to exceed \$81,453 per extension option, for a total estimated contract amount not to exceed \$407,265. **Motion to approve on consent by Chair Schmandt, seconded by Commissioner Taylor, passed on a vote of 6-0.**

6. Authorize award and execution of Amendment No. 4 to a contract with BABCOCK & WILCOX POWER GENERATION GROUP, INC., Hatfield, PA, for the maintenance and support of the Data Acquisition and Handling Systems (DAHS) associated with the continuous emissions monitoring systems at Decker Creek Power Station and Sand Hill Energy Center to exercise the second 12-month extension option in an estimated amount not to exceed \$47,177 and to add five additional 12-month extension options in an amount not to exceed \$33,062 per extension option for a revised total contract amount not to exceed \$264,834. **Motion to approve on consent by Chair Schmandt, seconded by Commissioner Taylor, passed on a vote of 6-0.**
7. Authorize negotiation and execution of a contract with TRC ENVIRONMENTAL CORPORATION, Austin, Texas, or one of the other qualified offerors for RFP Solicitation No. CLMB301A, for the Reissue - Holly Street Power Plant Decommissioning Project for \$11,502,518, plus \$575,126 contingency, for a total not-to-exceed amount of \$12,077,644. (Related to Item 8.) **Motion by Chair Schmandt to recommend approval of the contract to Dixie Demolition, the second highest rated firm, failed for lack of a second. Motion to approve by Commissioner Fath, seconded by Commissioner Smaha, failed on a vote of 0-4-3, with Chair Schmandt and Commissioners Bernfeld, Taylor and Webber voting no, and Vice Chair Shaw and Commissioners Fath and Smaha abstaining.**
8. Approve an ordinance amending the Fiscal Year 2010-2011 Austin Energy Capital Budget of Ordinance No. 20100913-003 to increase appropriations by \$5,500,000 for the Holly Street Power Plant decommissioning costs and amending the Fiscal Year 2010-2011 Austin Energy Operating Budget of Ordinance No. 20100913-002 to increase Non-Fuel Operations and Maintenance by \$5,500,000 for the Holly Street Power Plant decommissioning account and decrease the Austin Energy Operating Fund ending balance by \$5,500,000. (Related to Item 7.) **Motion to approve by Commissioner Fath, seconded by Commissioner Smaha, failed on a vote of 0-4-3, with Chair Schmandt and Commissioners Bernfeld, Taylor and Webber voting no, and Vice Chair Shaw and Commissioners Fath and Smaha abstaining.**
9. Authorize award and execution of a 12-month requirements supply contract with POWER SUPPLY, INC., Austin, TX for the purchase of 138 kV Potential Transformers for Austin Energy in an estimated amount not to exceed \$197,400, with four 12-month extension options in an estimated amount not to exceed \$197,400 per extension option, for a total estimated contract amount not to exceed \$987,000. **Motion to approve on consent by Chair Schmandt, seconded by Commissioner Taylor, passed on a vote of 6-0.**
10. Authorize award, negotiation and execution of a contract with ALLKIOSK, Mesa, AZ for the purchase of two bill payment terminals for Austin Energy in an estimated amount not to exceed \$250,000. **Motion to approve by Commissioner Fath, seconded by Vice Chair Shaw, passed on a vote of 4-3, with Chair Schmandt and Commissioners Smaha and Taylor voting no.**
11. Authorize award, negotiation and execution of Amendment No. 10 to a contract with IBM Corporation, Cleveland, OH, to increase the contract amount for the purchase of software, billing and related services for the City's utilities in an amount not to exceed \$4,600,000 for a revised total estimated contract amount not to exceed \$57,339,728. **Motion to approve by**

Commissioner Webber, seconded by Commissioner Smaha, passed on a vote of 6-1, with Chair Schmandt voting no.

12. Approve an ordinance authorizing acceptance of \$561,871 in American Recovery and Reinvestment Act (ARRA) grant funds from the U.S. Department of Energy (DOE) through a Federal Assistance Sub-Recipient Agreement between Chrysler Group LLC and Austin Energy, and amending the Fiscal Year 2010-2011 Austin Energy Operating Budget Special Revenue Fund of Ordinance No. 20100913-002 to appropriate \$561,871 for research and testing of Plug-In Electric Vehicles. **Motion to approve by Chair Schmandt, seconded by Commissioner Taylor, passed on a vote of 7-0.**
13. Approve issuance of a rebate to Samsung Austin Semiconductor for the installation of energy efficient equipment in an amount not to exceed \$200,000. **Motion to approve on consent by Chair Schmandt, seconded by Commissioner Taylor, passed on a vote of 6-0.**

The Commission recessed from 7:44 p.m. to 7:54 p.m. Commissioner Taylor left the dais.

OLD BUSINESS

14. Discussion and Possible Action regarding an ordinance amending Chapter 6-7 of the City Code relating to Energy Conservation Audit and Disclosure requirements.
Wesley Perkins of Round Rock I.S.D. voiced concern about possible impacts on school campuses regarding proposed changes to the ordinance.
Motion by Chair Schmandt to approve the ordinance amendments as presented to the Commission in March or to approve current version with the addition of changes proposed by the Austin Tenants Council to Section 6-7-23 regarding disclosure of energy use to potential tenants of multi-family units. Motion seconded by Commissioner Smaha, passed on a vote of 6-0.
15. Discussion and Possible Action regarding Austin Energy's Rate Redesign Process, including consideration of a resolution detailing the rate review process and rescinding the Probability of Dispatch Resolution. **Motion to approve the resolution as presented and to approve the proposed schedule with one change, by Chair Schmandt, seconded by Commissioner Webber, passed on a vote of 6-0. The change is to provide materials regarding the rate redesign to the Commission three business days, instead of three days, prior to meetings.**

STAFF REPORTS AND BRIEFINGS

16. **Monthly Financial Report** by Steve Machicek, Director, Corporate Accounting and Rates.
17. **EXECUTIVE SESSION** – Public Power Utility Competitive Matters, Section 551.086; Discuss matters relating to Austin Energy's Fuel Hedging Program. **The Commission postponed this item to the May 16, 2011 meeting.**
18. **FUTURE AGENDA ITEMS** – Requests were made on the following topics: a written report on activities planned at the South Texas Project in response to events in Japan and a tour of the facility during the refueling process in October; a written report on who made money during the February 2 winter weather/rolling blackouts event.
19. **ADJOURNMENT** – Chair Schmandt adjourned the meeting at 9:03 p.m. without objection.